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# Seasonality spotlight: 2021 year-end

Selected insights into payroll jobs and wages seasonality

Released 10/02/2022

**i** Source: [Weekly Payroll Jobs and Wages in Australia, Week ending 15 January 2022](#)

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## Seasonality

The Weekly Payroll Jobs and Wages series sees increased variability across December and January, consistent with pronounced seasonality in the Australian labour market over this period.

The increases in labour market activity before Christmas followed by a combination of public holidays, school holidays and lower business activity (in many industries) in the period after Christmas results in a rise and fall around year-end in the Weekly Payroll Jobs and Wages series and other ABS labour statistics (such as Labour Force, Australia).

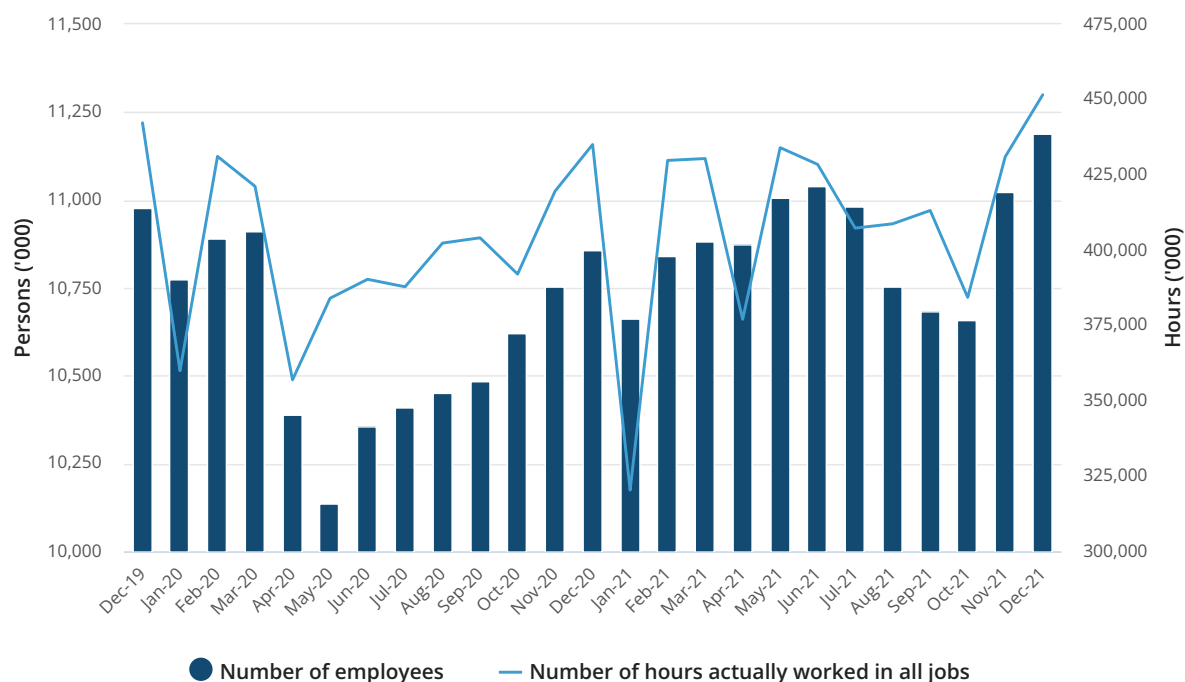
Estimates presented in the Weekly Payroll Jobs and Wages in Australia release are an 'original' data series and are not yet able to be produced with seasonal impacts removed. At least three years of data are required to produce seasonally adjusted estimates. The longstanding seasonally adjusted Labour Force statistics series can aid in the interpretation of labour statistics across periods of greater seasonality, especially through the COVID-19 period.

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## Seasonality in the Labour Force series

The original Labour Force series shows a regular seasonal high in December followed by a fall in January each year, in both the number of employees and weekly hours worked.

## Number of employees and number of hours worked - Labour Force (original)



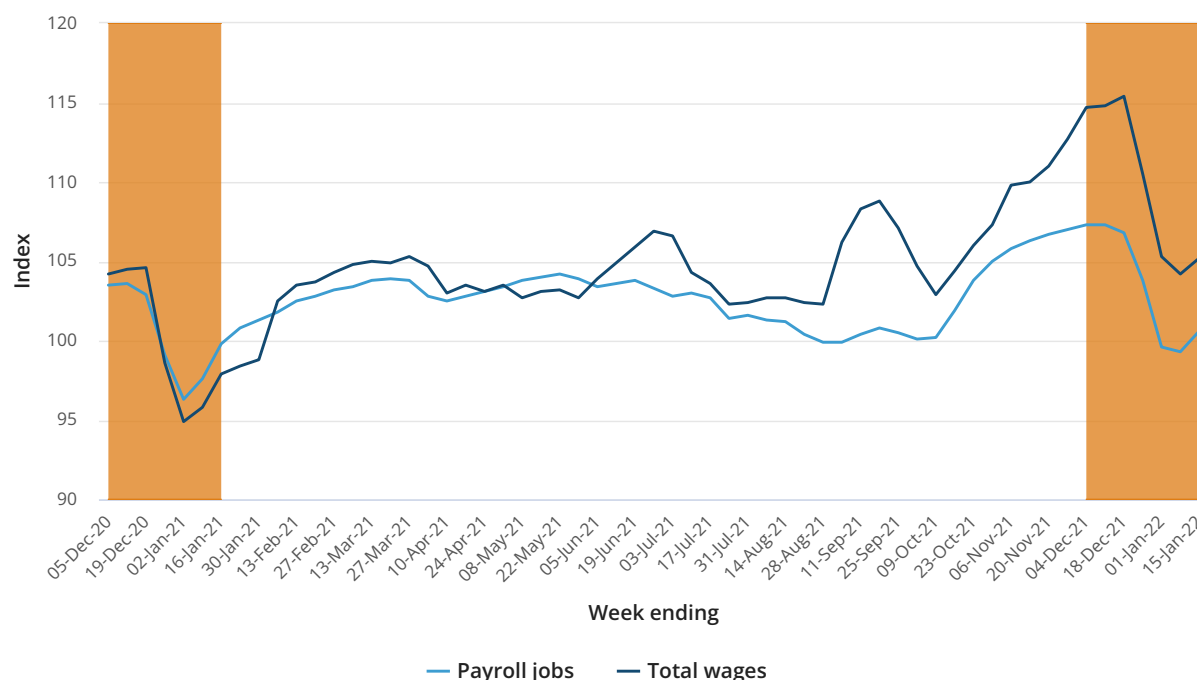
Source: [Labour Force, Australia, Detailed, December 2021 \(/statistics/labour/employment-and-unemployment/labour-force-australia-detailed/dec-2021\)](https://statistics/labour/employment-and-unemployment/labour-force-australia-detailed/dec-2021)

### Seasonality at 2021 year-end

Weekly Payroll Jobs and Wages data see a similar seasonal pattern at the end of 2021 to that seen a year earlier, although the recovery was more gradual into January 2022.

Increasing COVID-19 infections from mid-December 2021 and extreme weather events in January 2022 are factors influencing payroll jobs and wages over this period.

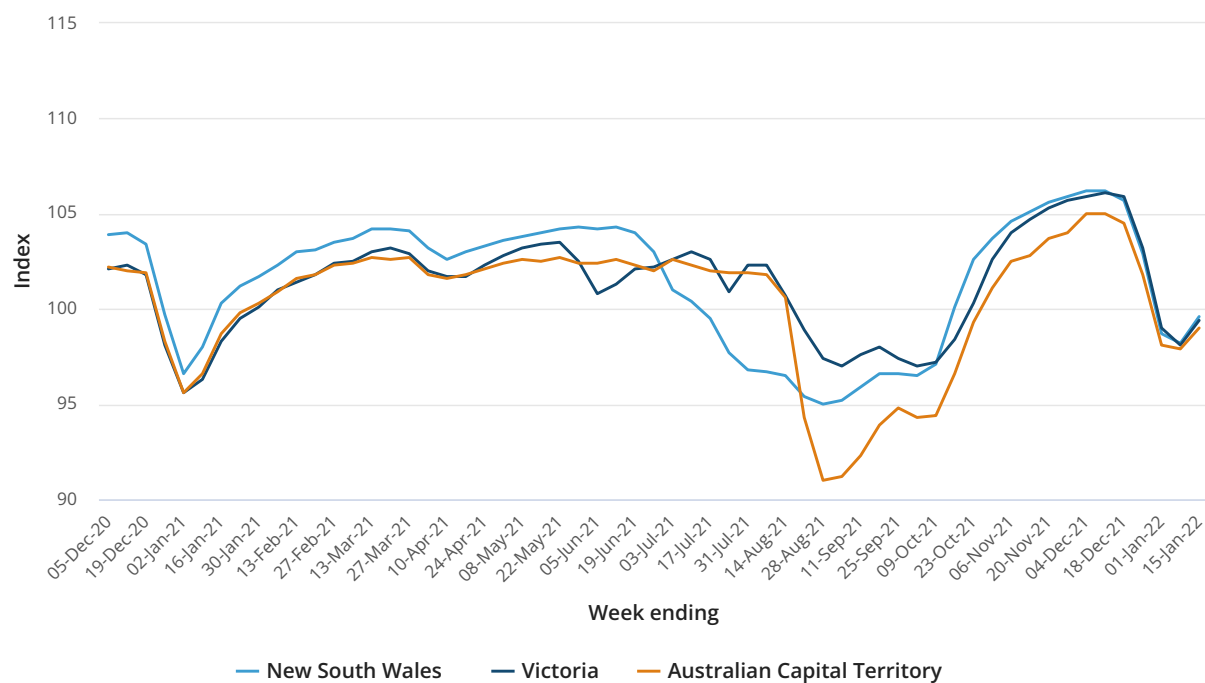
## Payroll jobs and total wages index



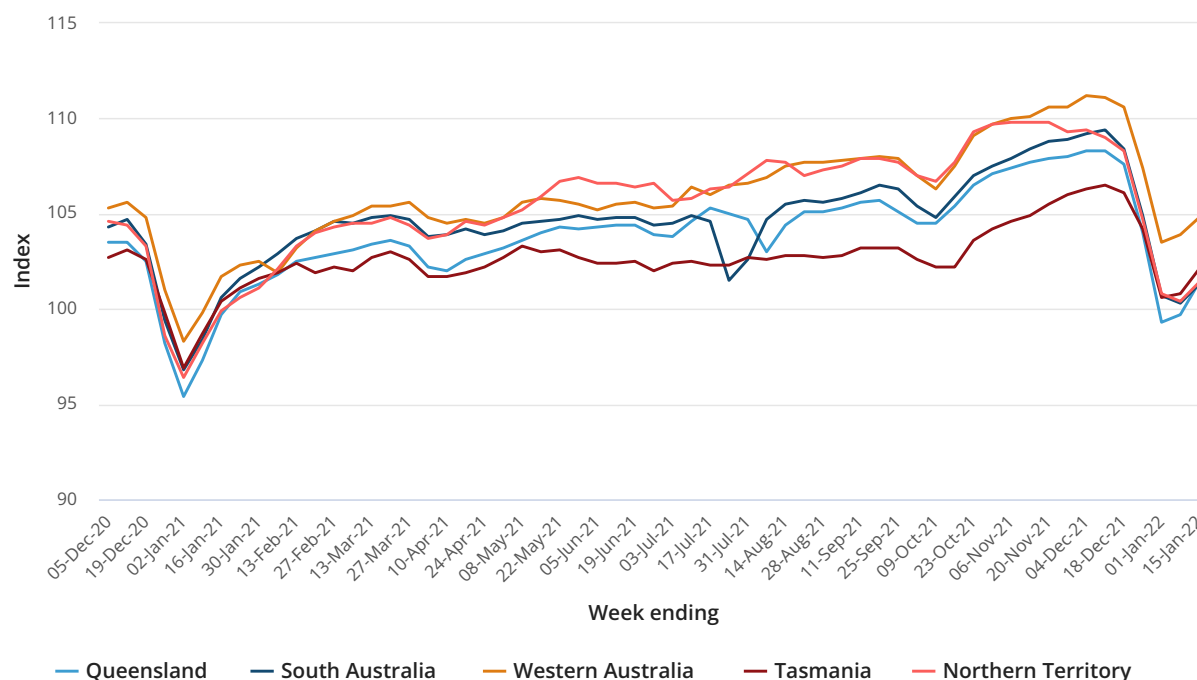
## Payroll jobs - State and territory

All states and territories saw a similar seasonal fall in payroll jobs at year-end to that seen a year earlier. However, the recovery was slower into January 2022 than that seen in January 2021, reflecting the differing pressures on the labour market between these two periods.

## Payroll job indexes for state and territories with greater COVID-19 impacts during 2021



## Payroll job indexes for other state and territories during 2021



## Payroll jobs - Industry

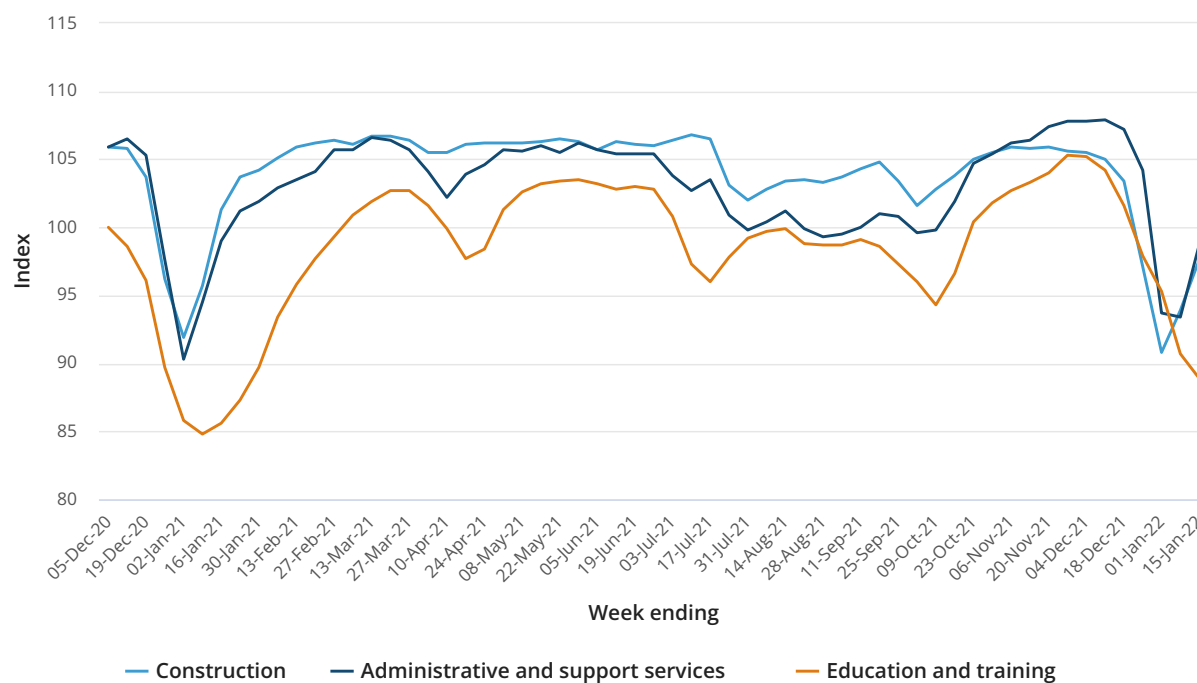
Seasonal changes across year-end can differ more significantly between industries than those seen between states and territories. The relative impact of seasonality seen by each industry at year-end (as measured by losses in payroll jobs between their December 2020 high and January 2021 low) fell into three groups: high; moderate; and low.

### High seasonality

Industries which saw more than a 12% seasonal change in payroll jobs at 2020 year-end were Education and training, Administrative and support services and Construction.

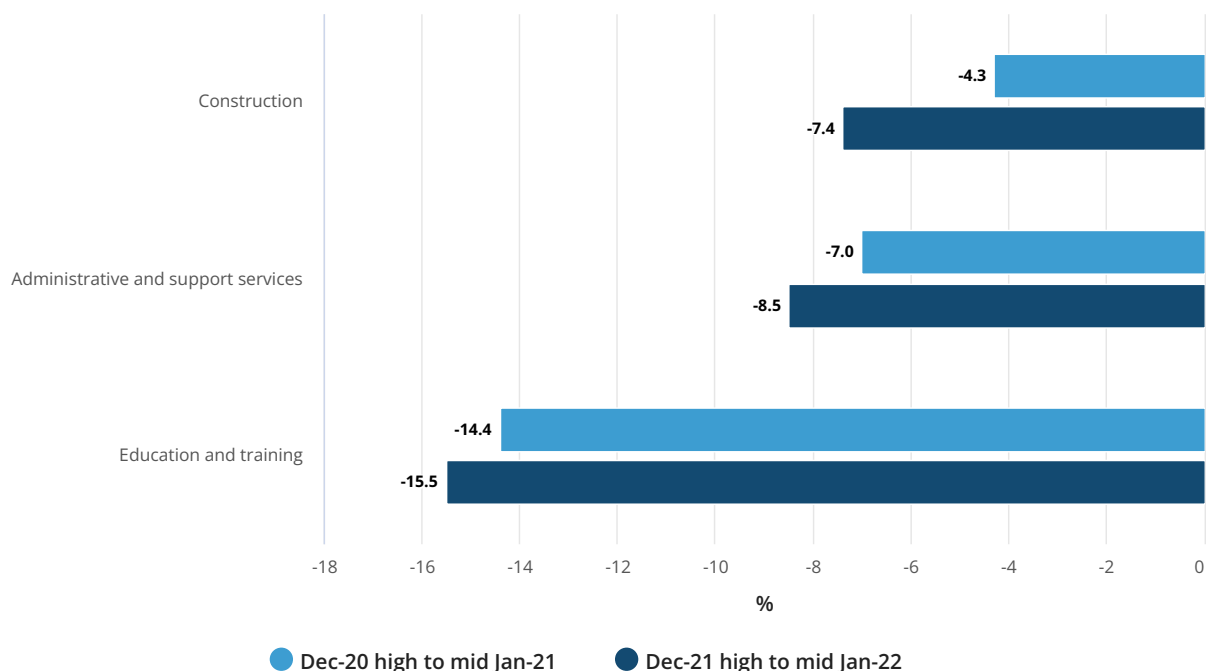
These industries more commonly see highly reduced operations at year-end. For example, the Education and training industry sees a large seasonal downturn in payroll jobs from the commencement of school holidays, with a gradual return in payroll jobs across January until classes return from February.

## Payroll jobs index, high seasonality industries



For high seasonality industries, the difference between the December high in payroll jobs and mid-January was slightly greater in January 2022 than a year earlier. This is in part due to the slower rate of recovery seen in payroll jobs in the first fortnight of January 2022 than that seen a year ago.

## Change in payroll jobs, high seasonality industries (a)(b)



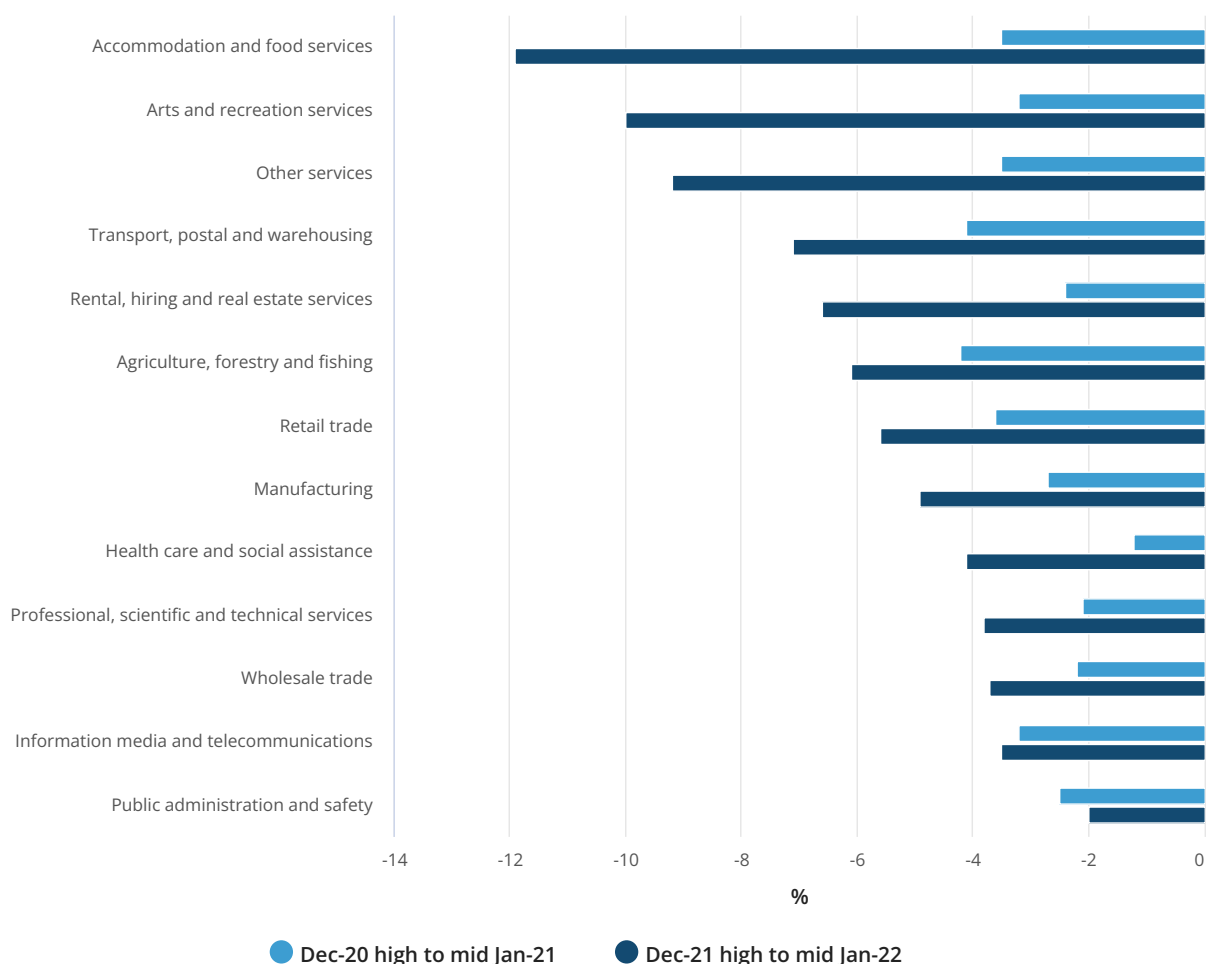
a. Mid-January represents the weeks ending 16 January 2021 and 15 January 2022.

b. The week in which payroll jobs were at their highest in December may differ between industries.

### Moderate seasonality

Industries which saw a seasonal fall in payroll jobs between 4% and 10% at 2020 year-end are classified as having moderate seasonality. These industries largely saw similar seasonal falls in December 2021. However, the more gradual recovery of payroll jobs from the seasonal low in December 2021 into January 2022 was seen across all industries. Recent COVID-19 outbreaks and extreme weather events impacted some industries across this seasonal period more than others.

## Change in payroll jobs, moderate seasonality industries (a)(b)



a. Mid-January represents the weeks ending 16 January 2021 and 15 January 2022.

b. The week in which payroll jobs were at their highest in December may differ between industries.

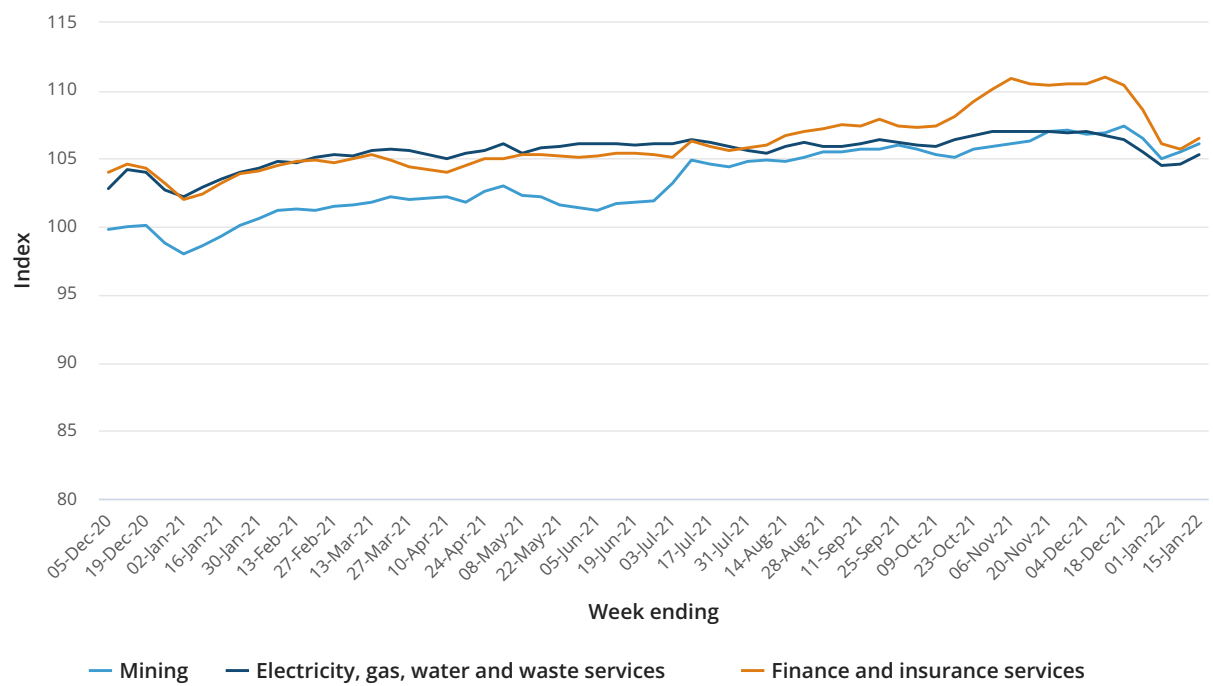
## Low seasonality

The industries that experienced the smallest falls (less than 3%) in payroll jobs at 2020 year-end also saw the smallest change at 2021 year-end. Electricity, gas, water and waste services, Mining and Finance and insurance services industries see the least seasonal

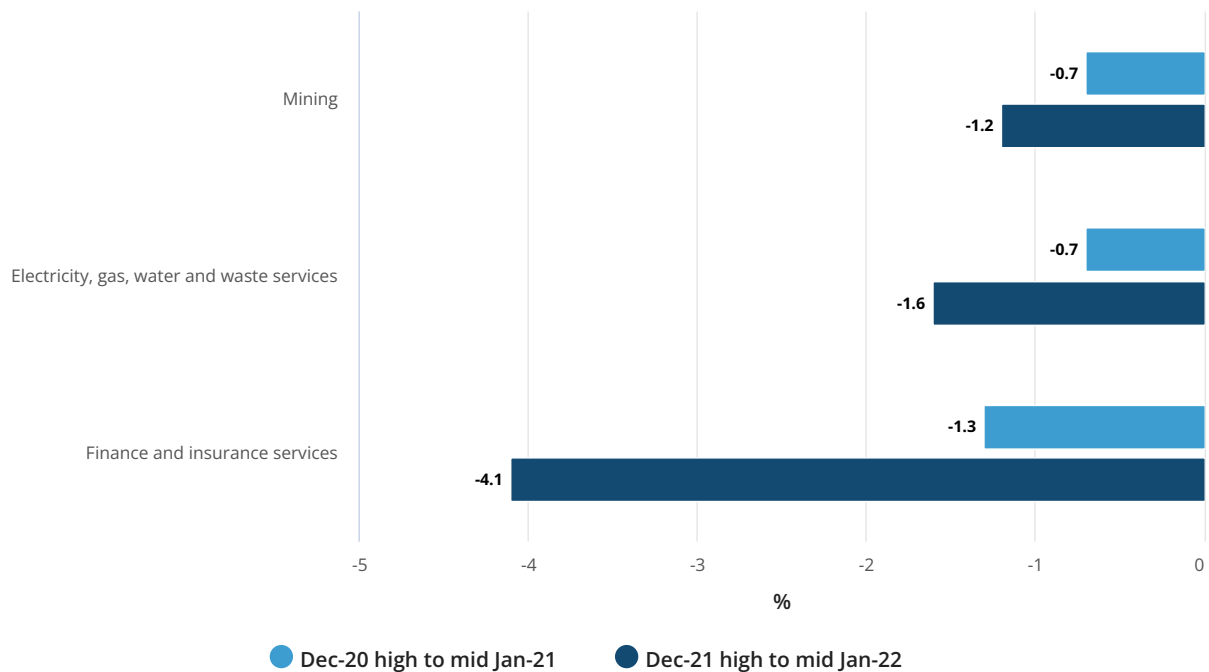


change - particularly the Electricity, gas, water and waste services industry which provides access to utilities and essential services year-round.

## Payroll jobs index, low seasonality industries



## Change in payroll jobs, low seasonality industries (a)(b)



a. Mid-January represents the weeks ending 16 January 2021 and 15 January 2022.

b. The week in which payroll jobs were at their highest in December may differ between industries.

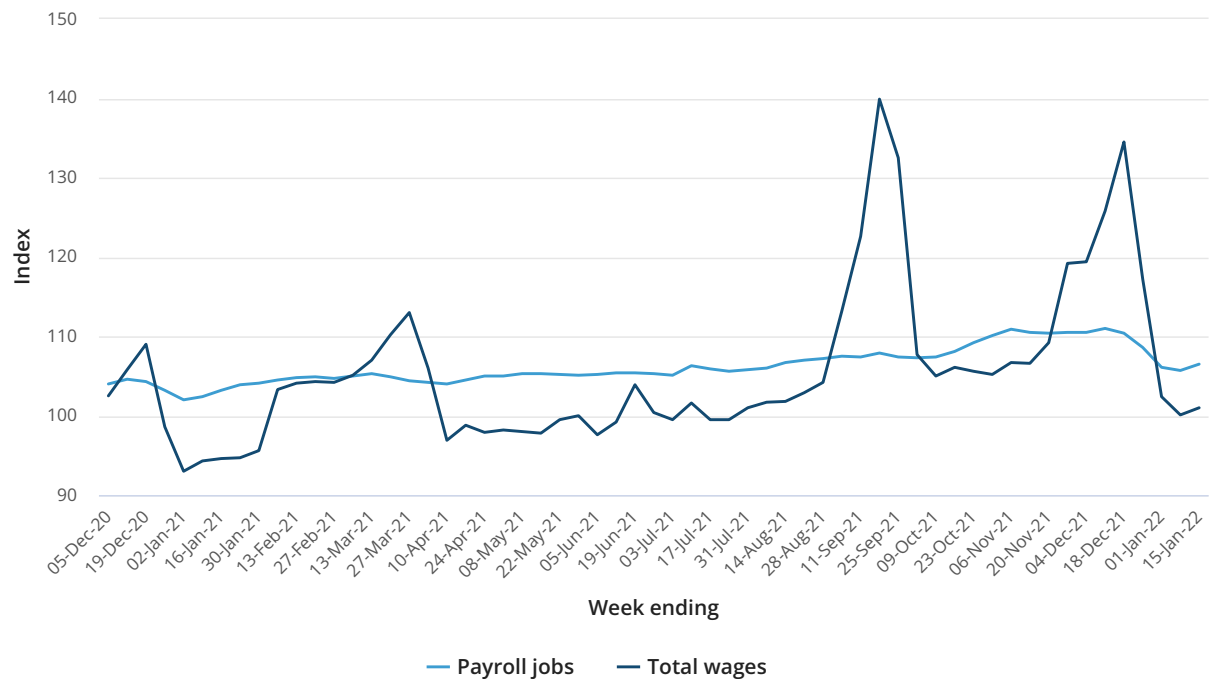
## Total wages

In these estimates, a payroll job exists when a jobholder is paid in the reference week (and reported through Single Touch Payroll). Given this relationship to wages paid, one might expect that the seasonality in payroll jobs would be similar to total wages paid. While this may hold true for most industries, total wages paid can exhibit quite different seasonality to payroll jobs due to their composition in any given reference week. Changes in hours worked, and payments of bonuses, allowances or overtime at particular times of the year will contribute to higher variation in wages than that seen in payroll jobs.

For example, the Finance and insurance services industry has low seasonality in payroll jobs and high seasonality in wages due to the payment of bonuses by some businesses around

March, September and December.

## Finance and insurance industry, payroll jobs and wages indexes



However, the Retail trade industry with a more moderate seasonality in payroll jobs sees slightly higher seasonality in wages around busy trading periods throughout the year. At times where employees are working more hours or being paid penalty rates, wages seasonality is likely to be greater than that seen in payroll jobs, such as in November and December when extended trading hours and employee demand peaks in the lead up to Christmas.

# Retail trade industry, payroll jobs and wages indexes

